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SENATE

{ REPORT  
No. 572

## PROVIDING IMPROVED OPPORTUNITY FOR PROMOTION FOR CERTAIN OFFICERS IN THE NAVAL SERVICE

JULY 23, 1959.—Ordered to be printed

Mr. STENNIS, from the Committee on Armed Services, submitted the following

### R E P O R T

[To accompany H.R. 4413]

The Committee on Armed Services to whom was referred the bill (H.R. 4413), to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes, having considered the same, report favorably thereon, with amendments, and recommend that the bill, as amended, do pass.

#### COMMITTEE AMENDMENTS TO THE BILL

On page 6, line 8, after the words "active list." insert the following:

Of the officers considered but not recommended for continuation on the active list the board shall further report the names of any officers whose performance of duty would not warrant retention on the active list under any circumstances. Each board shall certify in its written report that in the opinion of two-thirds of the acting members of the board, based on the information available to the board, the performance of duty of each such officer whose name is so reported would not warrant retention on the active list under any circumstances.

On page 8, line 11, after the word "grade," insert the following:

and whose name has not been reported in the approved report of a board in compliance with subsection 1(h) of this Act,

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On page 8, beginning with the word "lump-sum" in line 12, strike down through line 25, and insert in lieu thereof "a lump-sum payment of \$2,000, effective on the date of his retirement."

On page 9, strike lines 1 through 12.

Also on page 9, beginning with the word "However" on line 19, strike through line 23.

On page 13, line 4, strike the date "June 30, 1970" and insert in lieu thereof "June 30, 1965".

On page 13, add new section 9, as follows:

"SEC. 9. (a) Chapter 561 of title 10, United States Code is amended—

"(1) by repealing section 6150; and

"(2) by striking out the following item in the analysis:

"6150. Higher retired grade for retired officers specially commended.

"(b) This section becomes effective on November 1, 1959."

### EXPLANATION OF THE COMMITTEE AMENDMENTS

#### *Flat sum of \$2,000 for eligible noncontinued officers*

The committee amended the bill by providing that the eligible noncontinued officers would receive a flat \$2,000 lump-sum adjustment on the date of their retirement instead of payments under the graduated House-passed formula providing 2 months' basic pay for each unserved year short of the normal retirement point of 26 or 30 years, with a maximum of \$6,000 per individual. The committee also deleted the House language permitting the officers to elect to receive the payment over a 3-year period.

In addition the committee added language which would deny the \$2,000 lump-sum payment to those noncontinued officers whose record of performance on a quality control basis would not justify their continuation on active duty, aside from any regular hump consideration. The continuation boards would be required to make this determination. This provision will insure a uniform standard for this category of officers for all the military services. Under separate permanent legislation now being considered for all the military services Regular officers in the grade of lieutenant colonel and colonel and equivalent grades who are twice failed of selection to the next higher permanent grade would be subject to involuntary retirement if their record of performance would not justify their continuation on active duty. No payment other than the normal retired pay would be authorized under the permanent legislation. The intent of this additional language would be for the Navy and Marine Corps to exclude from the lump-sum payment those officers who would be subject to the quality control standards for elimination under the permanent legislation.

It should be emphasized that the committee does not intend that the lump-sum payment should be considered a precedent. The committee recognizes that there is no statutory obligation to provide the lump-sum payment for the noncontinued Regular officers. At the same time, this necessary legislation in altering the normal retirement points for these officers creates some hardship in changing the long-

term career plans of these officers. The purpose of this payment is to provide some assistance in adjusting to the necessary changes in their return to civilian life.

It should be further noted that two categories of officers will be excluded from the lump-sum payments: (1) those who are in effect involuntarily retired while serving in a rank above their present grade and (2) those whose record of performance would not justify their continuation on active service.

The committee was of the opinion that the flat sum was more equitable and preferable to a graduated formula based on rank and length of service. The readjustment conditions upon leaving military service are unrelated to the officers rank and length of service upon which a graduated formula would be based.

*Change in cutoff date of noncontinuation authority from 1970 to 1965*

The committee amended the bill by providing a cutoff date of June 30, 1965, for the noncontinuation authority instead of the date of June 30, 1970, contained in the bill as it passed the House.

(1) Even under present 10-year plans, it appears that the entire authority beyond 1965 would not be necessary as it relates to the grade of commander in the Navy.

(2) The factors on which the plans are based are difficult to project with exactness beyond a 6-year period due to possible change. Included in the variables are the possibility of change in the size of our forces, and increases and decreases in the number of voluntary retirements.

(3) The June 30, 1965, date will provide a reasonable 6-year period within which the noncontinuation authority can be exercised in order to meet the regular hump problem. At the same time, it provides a sufficient period for Navy to request the Congress to extend the authority if conditions at a later date justify the need, as contemplated by present plans.

*Repeal of authority for advancements on retired list*

A new section to the bill (sec. 9) would repeal, effective November 1, 1959, the present provision requiring an advancement to the next higher grade upon retirement for Navy and Marine Corps officers who were specially commended for performance of duty in combat before January 1, 1947, by the head of the military or executive department under whose jurisdiction the duty was performed. This provision of law does not authorize an increase in the retired pay. The amendment would not be retroactive and therefore, would have no effect on the rights and privileges of officers already advanced prior to the repeal of the provision (sec. 6150, title 10, United States Code).

This provision had its inception in 1925 with the effort to reward a certain naval captain who distinguished himself in World War I but failed to achieve the grade of rear admiral. The 1925 legislation as finally approved advanced the captain in question to the grade of rear admiral with the pay of the lower half. In addition, there was a more general provision providing that all Navy and Marine Corps officers commended for performance during World War I would be advanced to the next higher rank, but without pay of the higher grade when retired by reason of age in grade. The 1925 version was modified

somewhat over the years until its present version, as outlined above, was enacted in 1949.

Under existing conditions, a disproportionate number of the retired flag rank officers in the Navy are officers who never served on active duty in their retired rank but were advanced as a result of the special authority. As of May 31, 1959, out of 1,420 officers on the retired list in the grade of rear admiral only 198 served in the rank with 1,220 being advanced from a lower grade. Of 198 vice admirals, 44 served in the rank and 154 were advanced to that rank. Of 62 admirals, 29 served in the rank and 33 were advanced.

The advancement provision, which has been limited to Navy and Marine Corps officers since its enactment in 1925 is discriminatory against Army and Air Force officers who may have performed in a similar manner. Even though no pay is authorized for the higher rank, those advanced enjoy the other advantages attached to the higher grade, such as possibly greater employment opportunities and the increased prestige of the higher rank.

There is also an added advantage for those who may be recalled to active duty from retired status. Under existing law, the Secretary of the Navy has discretionary authority to recall retired Navy or Marine Corps officers to active service in the higher rank to which they were advanced. While serving, these officers receive the pay of the higher rank and moreover, under existing law, if they serve in a recall status for 2 years, their retired pay will be recomputed under the scales of the higher of their advanced rank.

As already indicated, the present advancement provision provides that the commendation must have been received prior to January 1, 1947, with a result that the provision would eventually lose its effect after all officers who received such a commendation have retired. However, it will be a number of years before all of the Navy and Marine Corps officers who were in active service during World War II and who would qualify will be retired. In the meantime, the inequity would continue with respect to officers of the other military services, who will continue to retire in the years ahead and who would not be eligible to receive the same advancements as the Navy and Marine Corps counterparts.

The committee amendment will insure a uniform standard for all the military services for the future. At the same time, the rights of those who have been advanced will not be disturbed.

In a letter of July 17, 1959, to the Committee on Armed Services, the Department of the Army on behalf of the Department of Defense stated the opposition of the executive branch to pending legislation which would extend the present Navy and Marine Corps advancement provision to Army and Air Force officers. This report opposed such legislation in principle, stating that the enactment of such legislation would—

create inequities among personnel who served together under combat conditions, inasmuch as a commendation would make one person eligible for certain benefits which are denied to others with similar combat experience who received no commendation. It is considered unsound in principle to grant promotion upon retirement to individuals solely because they have been commended for their performance of duty in combat.

A more extensive portion of the departmental report is quoted on page 32 of the committee report.

As indicated above, the departmental report sets forth the reasons why the extension of the provision to the Army and Air Force would be unsound. These reasons should be equally applicable to the continuation of the provision for the Navy and Marine Corps.

#### PURPOSE OF THE BILL

Except for several minor provisions, the various features of the bill relate to the noncontinuation of regular Naval and Marine Corps officers on active duty. This latter authority would expire June 30, 1965. The basic purpose of this temporary authority is to authorize mandatory retirement of certain selected senior Regular officers in the grade of captain or commander in the Navy and equivalent grades in the Marine Corps, in order to permit a number of highly experienced officers in the grade of lieutenant commander and equivalent Marine Corps officers to continue on active duty in a rank higher than their present grade. Because of failure of selection to the next higher grade this latter group of officers would, for the most part, be retired in their present rank.

This bill would authorize the establishment of continuation boards which would select for mandatory retirements before the normal 26 and 30-year points those officers within the zones being considered with the least potential for further active service in the Navy or Marine Corps. Even with the vacancies created by these retirements, it can be anticipated that only one out of four of the present lieutenant commanders could be expected to be selected eventually to the grade of captain and one out of two to the grade of commander.

#### ESSENTIAL OBJECTIVES OF THE LEGISLATION

##### *A. To meet future Navy and Marine Corps personnel needs for experienced officers in senior grades*

Without legislative relief three-fourths of all Regular officers in the Navy and Marine Corps commissioned in World War II will be forced into premature retirement. This legislation is intended to permit the retention of at least half of this group of officers for longer careers. It is the position of the Navy that unless a greater number of the experienced World War II group are given the opportunity by promotion to serve in either the grade of commander or captain, the group of officers most qualified to constitute these two grades in the years ahead will not be available in essential numbers.

In other words, in the 10-year period ahead, without legislative relief, both of the major categories affected by this bill would be lost for further service in the Navy, the senior officers who would be retired prior to the normal points, and the young officers who would be retained in greater numbers. The senior captains and commanders would complete their normal periods of service and be retired from one to six years earlier. In the meantime, while these senior officers were completing their normal periods of service, the younger officers in the hump would be mandatorily retired because of the failure of selection to the next higher grade. This failure would result, of course, because of the lack of vacancies.

As indicated above, the legislative relief will permit the younger groups to be retained in greater numbers by creating additional vacancies.

*B. To avoid excessive accumulation on active duty of commanders who have twice failed of selection to captain*

*(1) Importance of commander grade*

It is significant that the grade of commander is the grade in the Navy which has the most direct contact with both junior officers and enlisted personnel. The positions held by officers in this grade place immense responsibility for the training and instruction of personnel upon them. Examples of commander billets are command of destroyers, submarines, aviation squadrons, executive officers on all types of large naval vessels, executive officers on air stations and naval operating bases, operations officers on large naval craft, and shore positions of corresponding responsibility.

*(2) Results without legislative relief*

In the absence of legislative relief the Navy would be confronted with a serious personnel problem over the next 10-year period with respect to the grade of commander. In this grade, out of the total officers serving in this rank the percentage who have been or would be twice failed of selection to captain, yet continued on active duty, would range between 40 to 60 percent, depending on the particular year. These officers would receive their second failure between the 19th and 22d year and continue until the completion of 26 years, unless voluntarily retired. Three-fourths, or about 3,800 of the present commanders, will in the absence of relief, eventually fall in the twice-failed status.

The past experience of the Navy indicates that limited numbers of officers in this twice-failed status can be effectively utilized. In the numbers described above, an intolerable condition is presented in the grade of commander. It can be reasonably expected that officers who are twice failed lose a considerable measure of self confidence. In addition, both their seniors and juniors are aware of their status and loss of prestige diminishes their capacity for personal leadership in these key assignments. The fact that such officers would constitute the senior portions of the grade inevitably would further aggravate the assignment of such large numbers. This acute problem is somewhat peculiar to the military personnel system which for many years has operated on the premise of either selection for advancement or separation within a relatively short period.

The chart set forth below indicates the number of commanders who will be on active duty during the years indicated, together with the proportion of these officers who would be in a twice-failed status. The increasing percentage of twice-failed officers indicates the severity of the problem without legislative relief.

*Accumulation of commanders in the unrestricted line of the Navy in twice-failed status*

Beginning of fiscal year	Estimated total number of USN commanders on active duty beginning fiscal year	Estimated total twice failed of selection USN commanders beginning fiscal year	Percentage of total USN twice failed of selection
1960	4,438	671	15.1
1961	4,405	1,064	24.2
1962	4,401	1,500	34.1
1963	4,464	1,930	43.2
1964	4,753	2,247	47.2
1965	4,723	2,699	57.1
1966	4,472	2,712	60.6
1967	4,490	2,687	59.8
1968	4,471	2,511	56.1

*(3) Relief with legislation*

This legislation will operate to prevent the excessive accumulation of such twice-failed officers by permitting the selective retirement of commanders after they have been twice failed. The prospective problem of excessive accumulations of twice-failed officers is peculiar to those in the hump groups. This problem would not be expected to continue beyond the temporary period of the legislation.

In addition to providing for selective retirement the bill will also have the effect of reducing the number of twice-failed commanders since promotion opportunity will be increased for selections to the grade of captain.

*C. Promotion opportunities for officers in the hump*

The effect of this bill would be to cause the early retirement of selected senior officers in order to permit the further progress of the best of the officers junior to them. The Department of the Navy considers that while unfortunate in its individual effects, the passage of this legislation will achieve, in view of all the circumstances, a reasonable balance of equities between groups involved.

The hump has resulted from the policy of maintaining after World War II a peacetime Navy requiring a Regular officer corps nearly two and one-half times as large as existing prior to and during World War II. The only source for this postwar buildup was the non-Regular officers commissioned during World War II. The necessity for using this source caused the creation of the hump. The Korean emergency followed by a further buildup did not permit the normal operation of the permanent promotion provisions which presumed a promotion slowdown and certain forced attrition at the various promotion points. The hump therefore remains, with the officers now serving in the higher grades of lieutenant commander and commander. The buildup mentioned above has also resulted in accelerated promotion and little attrition being assessed against the present captains and senior commanders. As a result, those in the senior year groups have reached their present rank in far greater numbers than contemplated under normal operation of the Officer Personnel Act. In contrast the hump groups, without relief, will receive far less promotional opportunity than that contemplated by the normal operation of law. The pending legislation will result in a more equitable

opportunity for normal periods of service between the senior officers and the hump year groups.

#### DISCUSSION OF PROBLEM

The Navy and Marine Corps problem necessitating this legislation has two separate elements:

1. The disproportionate concentration of the Regular officers in the grade of lieutenant commander and commander in the Navy, and equivalent grades in the Marine Corps. This concentration is generally referred to as the Regular hump.

2. The second element is the distribution of officers, meaning the desired number which should be serving in the rank of commander or captain. Within this relatively fixed requirement the flow into this grade is determined by the number who are either retired or advanced to a higher rank. This legislation is urged because of the need for additional vacancies which will result in a flow to the grades of commander and captain more proportionate to the number of officers in the Navy and Marine Corps hump. In contrast, the present provisions of law will not permit the needed infusion of younger officers into the grades of commander and captain.

#### RELEVANT POINTS OF THE NAVY PROMOTION SYSTEM

Discussed below are certain basic elements of the Navy promotion system and the relationship of their operation to this legislation. The Navy regular promotion system consists essentially of three separate elements.

##### (a) *Grade distribution*

The regular promotion law provides for a fixed percentage of officers in each grade based upon the total number of officers on active duty. These are:

	<i>Percent</i>
Rear admirals and above.....	0.75
Captains .....	6
Commanders.....	12
Lieutenant commanders.....	18
Lieutenants.....	24.75
Lieutenants (junior grade) and ensigns.....	38.50

Promotions can be made only within the vacancies existing within these fixed percentages for permanent promotion. (Vacancies for temporary promotion are based upon sliding scale percentages obtained through interpolation in the OGLA table in section 5442, title 10, United States Code. The percentages vary with unrestricted line strength.) It might be observed that vacancies may result from one of several reasons, such as the lack of numbers within the fixed percentage or from removals from the active list because of so-called normal attrition (resignations, deaths, voluntary retirement, etc.) or forced retirement.

The fixed percentages above relate only to the unrestricted line of the regular Navy. There are two other broad categories of regular Navy officers—the restricted line and the various staff corps. The restricted line is subject to fixed statutory limitations but of a slightly different nature. The staff corps are not subject to any statutory

limitations on fixed percentages or vacancies except for flag rank. In general the running-mate principle operates, however, to limit the number of staff corps officers who are selected for promotion to the various grades.

(b) *Promotion by selection board*

Promotions to these vacancies are required by law to be under the best-fitted system. This always requires that the number of vacancies be less than the number of officers competing for promotion.

(c) *Eliminations from the active list*

Officers who twice failed of selection to the next higher grade are eliminated from the service as follows:

(1) Lieutenants junior grade and lieutenants who have twice failed to the next higher grade are eliminated with severance pay from active service.

(2) Officers in the grade of lieutenant commander, commander, and captain who are twice failed to the next higher grade are not immediately eliminated from the service but are retained for the completion of certain prescribed periods. These periods are 20 years for the twice-failed lieutenant commander; 26 years for commander; and 30 years for captain.

RELATIONSHIP OF THE SYSTEM TO THIS BILL

(a) *Period of service before retirement of commander and captain*

One of the main problems requiring this legislation is the relatively long periods which have been served in the grade for commanders who have twice failed of selection to captain, and for captains after their initial selection. Since 1949, commanders have been twice failed to captain at about their 19th year with the result that the officers concerned remain on active duty until they have completed 26 years of service. On the other hand, commanders have been selected to the grade of captain since 1949 at 18th to 19th year with the result that they remain in active service until the completion of 30 years. The relatively small number of retirements among the twice-failed commanders and the officers in the grade of captain is the primary cause of lack of vacancies available for the officers junior to these groups. Their relatively long service in these grades is due (a) to promotion at a considerably earlier point in service than was contemplated by the act; and (b) a higher percentage of selection for the entire groups than was contemplated.

STATUTORY PROMOTION REQUIREMENT

Before a naval officer can be promoted under the Officer Personnel Act, he must complete the following periods of service in the indicated grades before promotion to the next higher grade:

	Years
Lieutenant (junior grade)-----	2
Lieutenant-----	4
Lieutenant commander-----	4
Commander-----	5
Captain-----	3

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The Officer Personnel Act further sets forth as a guide, certain normal periods of service in which the officers should serve before permanent promotion.

Rank	Years in Grade	Total Years Service
Lieutenant (junior grade)-----	3	6
Lieutenant-----	6	12
Lieutenant commander-----	6	18
Commander-----	7	25
Captain-----	5	30

It should be emphasized that the only statutory requirement is the minimum periods of service. The normal periods are merely a guide and are not a legal requirement. Furthermore, the law does not limit the number who may be promoted to the higher grade except insofar as the vacancies are limited by the fixed percentages. As indicated above, the commanders and captains who would be involuntarily retired under this legislation have been members of year groups which have been promoted earlier and in far greater numbers than contemplated under the law.

### DESCRIPTION OF THE NAVY HUMP

The hump in the Navy consists of the Regular officers who were commissioned during World War II. For discussion purposes they should be divided into two groups:

- (1) The unrestricted line.
- (2) The smaller groups consisting of the restricted line and the various staff corps.

#### *The hump in the unrestricted line*

For the unrestricted line in the Navy and the Marine Corps the hump consists of an undue concentration of officers in particular grades and years of service. In the Navy the hump consists of about 8,000 officers, or one-third of the corps, and in the Marine Corps 3,069, or about 38 percent of the total Regular corps. These were the officers originally commissioned during World War II who for the most part saw extensive action both during the years following their commission and during the Korean emergency.

Under normal conditions these officers would be spread over 11-year groups of about equal size and therefore be successively considered for promotion and subject to retirement by year groups over an 11-year period. Consequently the majority of these officers would attain a normal 26- to 30-year career, depending on the grade achieved. Instead, these officers are nearly contemporaries. They are concentrated into four oversized year groups. As a result of this concentration and without the vacancies created by this legislation the majority of these officers will be involuntarily retired with 20 years of commissioned service.

#### *Navy hump for the restricted line and staff corps*

A hump similar to that of the unrestricted line exists in the restricted line and the various staff corps of the Navy. As in the case of the unrestricted line the hump consists of those officers originally commissioned in World War II and who are now in the grade of lieutenant commander and commander. Based on the needs of the Navy

the departmental position is that the hump problem for officers in these categories (with the exception of those in the healing arts groups) should be dealt with in the same manner proposed for the unrestricted line.

Existing statutory provisions require that officers in the restricted line and staff corps have at least the same proportionate opportunity for promotion as their contemporaries in the unrestricted line. The increased opportunity for unrestricted line officers produced by this legislation, therefore, will increase correspondingly the numbers of restricted line and staff corps officers who are promoted to the grades affected. Unless the elimination procedures of the legislation are applied to these groups there will be cumulative increases in the numbers of officers in the grades of captain and commander, far beyond the possibility of appropriate utilization. The Navy points out that in terms of actual professional development of future leadership, the need for this legislation is fully as acute in the restricted line and staff corps as in the unrestricted line, because the distribution of experience and age in the several groups is generally similar.

#### DESIRED DISTRIBUTION FOR THE GRADES

Based on billet requirements the Navy desires that the number of officers in the unrestricted line who will be serving in the grade of commander and captain in the immediate years ahead be about the same as the present number. In the grade of captain in the unrestricted line there will be a requirement of about 2,020 officers and in the grade of commander about 5,055.

The Marine Corps anticipates that there will be a requirement for about 580 unrestricted colonels and about 1,227 unrestricted lieutenant colonels.

The problem therefore is how to provide a reasonable promotion flow, in the years ahead, of this hump concentration through the grade distribution of commander and captain. The aim of such a flow is to provide these grades with sufficient numbers of officers of the proper age and experience.

#### RESULTS IN THE ABSENCE OF LEGISLATION

Without the legislative relief of this bill there would be only 2,000 estimated vacancies in the Navy in the grade of captain over the next 10 years. The 8,000 officers in the Navy hump in the grades of commander and lieutenant commander would of course compete for these vacancies. After all of the elements of attrition are considered the following results would occur:

(a) Out of the present lieutenant commanders in the hump group only 3 out of 10 could be selected to the grade of commander, with the resulting attrition rate of about 70 percent.

(b) For selection of commanders to the grade of captain only one out of four could be selected, with an attrition rate of about 74 percent.

In the Marine Corps without legislative relief there would be only about 435 vacancies during the next 5 years for the grade of lieutenant colonel. About 1,940 Regular majors would compete for these vacancies. The result would be that only one out of four of these majors

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could be selected to the grade of lieutenant colonel, with the resulting attrition rate of about 75 percent.

Further, in the Marine Corps in the next 10-year period there will be only 580 vacancies in the grade of colonel, a total of about 3,000 Regular officers in the grade of lieutenant colonel and major would compete for these offices.

Because of the extremely high rate of promotion failures, the officers not advanced would be retired in their present grade. The large number of officers who would be retired are set forth under the heading "Comparative Retirement Results."

### *Increased selection rates with legislative relief*

Instead of the unacceptable attrition rates indicated above, the additional vacancies made possible by this legislation would permit more reasonable selection opportunities.

(1) In the unrestricted line of the Navy for selection to the grade of captain there would be a selection rate of between 45 and 50 percent as compared to 25 percent which would be the result without legislative relief.

(2) In the Navy unrestricted line to the grade of commander, there would be a selection rate of about 60 percent over the next 5-year period as compared to 30 percent which would result in the absence of legislative relief.

For the Regular Navy restricted line and staff groups the selection opportunity will be roughly the same as that which will occur in the unrestricted line. In no event will the opportunity be less. The percentage may be greater in particular restricted line or staff categories due to the small size of the year groups involved. The exact number of selections for each category by fiscal year cannot be set forth due to the varying sizes of the year groups involved.

Even with these improved selection rates, these groups will still be confronted with an attrition exceeded only by the selection rates in the Navy prior to World War II, when only 50 percent could expect to reach the grade of commander.

Set forth below are the promotion plans to the grade of commander in the unrestricted line of the Navy, setting forth, among other things, the anticipated selection rates in the event the legislation is enacted.

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## CHART I (NAVY)

### Promotion plan summary to the grade of captain (unrestricted line)

(a) Fiscal year.....	1959	1960	1961	1962	1963	1964
(b) Year group.....	40-2, 41	42-1	42-2	42-3	43-1	43-2
(c) Years service total (at selection point).....	18-19	18	19	20	20	21
(d) Years of service in fiscal year actually promoted.....	19-20	19	20	21	21	22
(e) Years service in grade.....	8-9	8-9	7-8	7-8	8	7
(f) Overall selection opportunity.....percent.....	145.7	41.8	41.6	39.5	38.4	40.0
(g) USN selection (predicted).....do.....	146.5	245	245	245	245	245
(h) USNR selection (predicted).....do.....	118.8	210	210	210	210	210
(i) USNT selection (predicted).....do.....	10	0	0	0	0	0
(j) USN in Zone.....	1707	647	638	628	616	572
Naval Academy.....	1357	17	257	230	53	256
Other USN.....	1350	630	381	398	563	316
(k) USNR in zone.....	116	47	48	39	79	44
(l) USNT in zone.....	14	3	4	50	26	26
(m) Total predicted selections.....	1332	291	287	283	277	257

<sup>1</sup> Actual.

<sup>2</sup> Predicted maximum.

NOTE. The 45 percent opportunity for the Regulars is contingent upon enactment of H.R. 4413. Without this legislation, the maximum opportunity for the USN Regulars to make the grade of captain will be about 25 percent.

## CHART II

### Promotion plan summary to commander (unrestricted line)

(a) Fiscal year.....	1960	1961	1962	1963	1964
(b) Year group.....	44-3, 45-1	45.2	46	47	48
(c) Years service total.....	15-16	16	16	16	16
(d) Years of total service in fiscal year actually promoted.....	16-17	17	17	17	17
(e) Years service in grade.....	4-5½	4-5	5	5	5
(f) Overall selection opportunity.....percent.....	43.5	47.1	48.3	55.3	48.7
(g) USN selection (predicted).....do.....	160	160	160	160	160
(h) USNR selection (predicted).....do.....	110	110	110	110	110
(i) USNT selection (predicted).....do.....	110	110	110	110	110
(j) USN in zone.....	1,022	919	787	717	555
Naval Academy.....	366	316	227	144	107
Other USN.....	656	603	560	573	448
(k) USNR in zone.....	195	138	114	34	80
(l) USNT in zone.....	193	112	76	30	49
(m) Total predicted selections.....	613	551	472	432	333

<sup>1</sup> Predicted maximum.

NOTE.—The 60 percent opportunity for the USN Regulars is contingent upon enactment of H.R. 4413. Without this legislation, the maximum opportunity for the Regulars to make the grade of commander will be about 30 percent.

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CHART III.—*Promotion plan summary to grade of colonel (Marine Corps)*

Fiscal year.....	1959	1960	1961	1962	1963	1964
Year group.....	41/42	42	42	42	42	42/43
Total commissioned service...	17/18	18	19	20	20/21	21
Time in grade.....	9.0	10	10	10	8.5	8.5
Percent opportunity.....	60	60	60	60	60	60
Predicted vacancies.....	105	122	113	84	84	88
Zone.....	175	203	188	140	140	147

## *To lieutenant colonel*

Fiscal year.....	1959	1960	1961	1962	1963	1964
Year group.....	43	43, 44	43, 44	43, 44, 45	44, 45, 46	45, 46, 47
Total commissioned service...	16	16/17	17/18	17/18/19	17/18/19	17/18/19
Time in grade.....	7.5	6.5	7.5	7.5	7.0	7.5
Percent opportunity.....	70	(1)	11	70	70	70
Predicted vacancies.....	105	249	203	302	156	177
Zone.....	150	(1)	(1)	(1)	(1)	(1)

<sup>1</sup> Zone of consideration.

## NUMBER OF ADDITIONAL VACANCIES CREATED BY THE LEGISLATION

The effect of this legislation over the next 10-year period would create the following additional vacancies:

### NAVY

For the Navy the bill if enacted in fiscal year 1960 would permit in the unrestricted line a total of 2,070 additional vacancies as follows:

#### *To captain*

For those already on the promotion list.....	118
For those now in the grade of commander.....	624
For those now in the grade of lieutenant commander who ultimately can anticipate selection for captain.....	439
Total .....	1,181

#### *To commander*

The number of officers who could be promoted to the grade of commander would be.....	889
Total .....	2,070

### MARINE CORPS

For the Marine Corps for the next 10 years the legislation would provide the following additional vacancies:

Grade of colonel.....	395
Grade of lieutenant colonel.....	705
Total .....	1,100

The additional vacancies in the Marine Corps would be used to promote lieutenant colonels to colonel with a 60 percent opportunity and majors to lieutenant colonel with an overall 70 percent opportunity.

# COMPARATIVE RETIREMENT RESULTS

It is significant to note the following comparative retirement results with respect to this legislation:

(1) With respect to the 10-year period of the present plan, the total number of retirements in the Navy and Marine Corps will be somewhat less (by about 1,200) with the legislative relief than would occur in the absence of the enactment of this bill. As the following chart indicates, without the legislation, there will be about 11,973 officers retired; with the legislation, there will be 10,741. (The figures for those retiring in flag rank as well as those in grades below lieutenant commander are not included in these computations. These comparatively small totals are not affected either with or without this legislation and are therefore excluded.)

(2) The proportions of those retiring within the three affected ranks will differ considerably. With the legislation, a greater number of officers in the grade of commander or captain, or equivalent, will be retired due to the authority of the bill.

At the same time considerably fewer of the officers in the grade of lieutenant commander or equivalent will be retired after 20 years of service in their early forties if the legislative relief is enacted. In other words, without relief, about two-thirds of the officers in the hump will be retired in their present grades without having had a reasonable promotion opportunity commensurate with experience and ability.

The following chart indicates the number of retirements in particular grades which would occur either with or without legislative relief over the next 10-year period:

*Number of Navy and Marine Corps retirements contemplated from July 1, 1960, to July 1, 1970*

	Without legislation (H.R. 4413)				With legislation (H.R. 4413)			
	Cap- tain	Com- mander	Lieu- tenant Com- mander	Total	Cap- tain	Com- mander	Lieu- tenant Com- mander	Total
Navy: Unrestricted line.....	1,436	2,962	3,530	7,928	2,060	2,356	2,641	7,057
Navy: Restricted line and staff corps.....	437	783	1,264	2,484	761	690	808	2,259
Marine Corps: Equivalent grades....	135	68	1,348	1,551	259	466	700	1,425
Total.....	2,008	3,813	6,142	11,963	3,080	3,512	4,149	10,741

## SIGNIFICANT FEATURES OF THE BILL

The scope of this legislation is limited to certain Regular officers in the Navy and Marine Corps in the grade of captain or colonel or commander or lieutenant colonel who will be eligible for retirement with at least 20 years of service. The bill establishes noncontinuation boards to selectively retire these officers prior to the present statutory retirement points of 26 years for commanders or lieutenant colonels, and 30 years for those in the grade of captain or colonel. The exact categories of affected officers are as follows:

*Officers in the grade of captain or colonel who have either twice failed of selection or who will have completed 5 years in grade*

The bill provides that continuation boards may select for noncontinuation officers in the grade of captain in the Navy or colonel in the Marine Corps who have either twice failed of selection or who will have completed 5 years in grade by the time of retirement for noncontinuation on active duty.

The plans for the Navy call for placing within the noncontinuation zones those officers who will have completed the 5 years in grade. Use of the twice-failed provision in the grade of captain would be insufficient to create vacancies in the Navy since as a technical matter officers are not twice failed of selection to flag rank until the completion of the 30 years.

The Marine Corps, on the other hand, plans to establish noncontinuation zones only for officers who have twice failed of selection for brigadier general in the Marine Corps which is about the 24th year.

*Officers in the grade of commander or lieutenant colonel*

The bill provides that officers in the grade of commander or lieutenant colonel who have twice failed of selection to captain or colonel may be subject to noncontinuation and retirement or continuation on active duty prior to the 26-year point.

*Use of noncontinuation authority*

The purpose of the noncontinuation boards would be to select for retention on further active service only the most qualified of the officers and to select for retirement those officers who under all circumstances do not measure up to those who are retained.

## NAVY

The Navy plans that about 35 percent of the officers in the grade of captain in the scope of the Act would be selected for noncontinuation. In the grade of commander about 67 percent in this grade would be noncontinued in the first year of the operation of the statute and thereafter about 45 percent of this grade would be continued over the next fiscal years. The principal reason for the higher percentage in the first year is due to the fact that most of these officers have already been passed over more than two times.

In the Marine Corps the percentage is somewhat higher of the officers who will be noncontinued and involuntarily retired. It should be pointed out, however, that the numbers in the year groups concerned are considerably less than similar groups in the Navy.

# OPPORTUNITY FOR PROMOTION FOR CERTAIN NAVAL OFFICERS 17

The charts below set forth by year group the numbers of officers in the Navy and Marine Corps who will be noncontinued in the grade of captain or colonel or commander or lieutenant colonel.

It should be noted that the exact number of officers noncontinued in a particular year group may be greater or less than that set forth below. This result might occur because the continuation boards will consider in a given fiscal year all of the year groups for it on a best-fitted basis. It may be that the percentage noncontinued for a particular year group will vary from the total percentage of noncontinued officers before each board.

## NAVY

### Captain, noncontinuation summary

Fiscal year	Year group	Total commissioned service at retirement	All groups percent noncontinued	Unrestricted line number noncontinued	Total unrestricted line	All other	Grand total
1959-----	1930-----	30	35	55			55
	1931-----	29	35	59			
	1932-----	28	35	59	55	6	61
1960-----	1933-----	27	35	49			
	1934-----	26	35	72	239	66	305
1961-----	1935 <sup>1</sup> -----	26	35	65			
	1936-----	25	35	33			
	1937-----	24	35	55	153	85	238
1962-----	1938-----	24	35	113			
	1939-1-----	23	35	32	145	74	219
1963-----	1939-2-----	24	35	64	64	26	90
1964-----	1940-----	24	35	62			
	1941-----	23	35	54	116	47	163
1965-----	1942-1-----	23	35	98	98	67	165
1966-----	1942-2-----	24	35	93	93	25	118
1967-----	1942-3-----	25	35	92	92	34	126
1968-----	1943-1-----	25	35	91	91	34	125
1969-----	1943-2-----	26	35	90	90	35	125
Total-----				1,236	1,236	499	<sup>2</sup> 1,735

<sup>1</sup> Change in plan presented to House. Small portion of year group 1935 formerly considered in fiscal year 1960.

<sup>2</sup> If enacted in fiscal year 1960 noncontinuation vacancies from year group 1930 will be lost.

### Commander, noncontinuation summary

Fiscal year	Year group	Total commissioned service at retirement	All groups percent noncontinued	Unrestricted line number noncontinued	All other	Grand total
1960-----	41 and senior to 35.	20-26	67	423	188	611
1961-----	42-1-----	20	45	158	59	217
1962-----	42-2-----	21	45	155	61	216
1963-----	42-3-----	22	45	153	48	201
1964-----					64	64
1965-----					26	26
Total-----				889	446	1,335

# 18 OPPORTUNITY FOR PROMOTION FOR CERTAIN NAVAL OFFICERS

## MARINE CORPS

### Colonel, noncontinuation summary

End of fiscal year	Year group	Total commissioned service at retirement	Percent of non-continued	Number of non-continued	Total per fiscal year
1959			(1)	(2)	
1960	31	29	80	10	68
	32	23	80	15	
	33	27	80	4	
	34	26	80	8	
	35	25	80	10	
	36	24	80	21	
1961	36	25	80	19	29
	37	24	80	10	
1962	37	25	80	30	30
1963	37	26	80	14	29
	38	25	80	15	
1964	38	26	80	9	30
	39	25	80	21	
1965	40	25	80	30	30
1966	40	26	80	6	30
	41	25	80	24	
1967	41	26	80	22	30
	42	25	80	8	
1968	42	26	80	54	54
1969	42	27	80	64	65
Total					395

80 percent of each year group will not necessarily be retired. The 80 percent total for each continuation zone will be retired. The percentage for each year group within the zone might vary depending upon the board continuation selections for the entire zone.

<sup>2</sup> All officers retired will have twice failed of selection.

MARINE CORPS

*Lieutenant colonel, noncontinuation summary*

End of fiscal year	Year group	Total commissioned service at retirement	Percent of non-continued	Number of non-continued	Total per fiscal year
1959.....				( <sup>1</sup> )	
1960.....	36	24	100	7	66
	37	23		6	
	38	22		4	
	39	21		15	
	40	20		34	
1961.....	41	20	100	56	56
1962.....	42	20	100	191	191
1963.....	42	21	100	53	53
1964.....	42	22	100	25	53
	43	21	100	28	
1965.....	43	22	100	55	55
1966.....	43	23	100	48	48
1967.....	43	24	100	37	57
	44	23	100	20	
1968.....	44	24	100	53	53
1969.....	45	24	100	73	73
Total.....					705

<sup>1</sup> All officers retired will have twice failed of selection.

*Special provision relating to Marine Corps selections to lieutenant colonel*

The bill contains a special temporary provision which would remain in effect until December 1, 1964, relating to selection of Marine Corps majors to the grade of lieutenant colonel. Because of the undue concentration of Marine Corps in the grade of major, this provision would permit the entire group to be considered over the temporary period without the establishment of the usual statutory "promotion zones." In lieu of these zones the Secretary of the Navy would authorize "zones of consideration."

The effect of suspending the operation of the "promotion zone" system would be that the officers not selected for promotion would not have technically failed of selection to the higher grade. By not technically twice failing these officers for promotion, they would remain available for selection to the grades of lieutenant colonel at any time during the temporary period. Moreover, it would permit the most highly qualified of the groups to be selected from the entire zone.

In the absence of this special provision one unavoidable effect would be that a much greater number of majors would be twice failed of selection and mandatorily retired after 20 years of service.

*Exclusion of the Medical Corps and related corps from noncontinuation authority*

The House added an amendment which excludes from the noncontinuation authority of this legislation naval officers in the Medical Corps, Dental Corps, Medical Service Corps, and Nurses Corps. The

reason for this exclusion is the general scarcity of personnel in these categories and the respective need for their services on active duty, as evidenced among other things by the recent continuation of the doctor draft authority.

#### POSSIBLE ALTERNATIVES FOR MEETING THE HUMP PROBLEM

The information heretofore set forth indicates that the best interests of the Navy would be served dealing with the Navy hump problem by this proposed legislative authority and its implementation. In effect, this bill authorizes that certain selected senior groups be retired prior to their normal retirement points in order that the younger hump officers serve for longer periods in the Navy and Marine Corps and in higher grades than would otherwise be possible.

The Navy seriously examined, but found inadequate, three possible alternatives:

##### (1) *Reduced promotion opportunity*

The first alternative would be to seek no legislative relief, but to select only for the limited number of vacancies which would occur over the next 10-year period in the grades of commander and captain. In view of the large number of officers in the hump years who would be competing for these vacancies, there would result such extremely high attrition rates that only 25 percent of the officers in the grade of lieutenant commander or major could be selected to the next higher grade. In effect, about 75 percent of the best officers in the grade of lieutenant commander and major would be retired in their present grade at the completion of 20 years of service. The result of such a promotion plan would operate to make most of the hump-year group officers unavailable to the Navy for further service beyond the 20-year point.

This alternative presumes that those competing for the grades of commander and captain would enter the promotion zones after the same periods of service that now are planned by the Navy. Promotion to the grade of commander for the next 5-year period will be at the 16th year of service. To the grade of captain over the next 5-year period there will be a fixed schedule for promotion to this grade ranging from the 19th year at present to the 21st year by 1964. The Marine Corps plans included retardation of promotion flow not beyond Officer Personnel Act normals—18 years to lieutenant colonel and 24 years to colonel—and maintaining equality of opportunity.

##### (2) *Promotion delay*

An alternative approach would be to bring officers in promotion zones only in the numbers needed to fill estimated normal vacancies, allowing for a reasonable percentage of nonselection. The officers coming into the zone year by year would be progressively later in terms of age and total years of experience. Behind them, officers would be serving longer and longer periods in current grade.

This method would not solve the problem. Without additional vacancies this method will in no way decrease the forced attrition required except for the minor losses that would occur from death and voluntary retirement within these groups on the active list. It will only serve to postpone it.

Adherence to this method until the "hump" had been absorbed ultimately would delay the selection of officers to the grade of captain or colonel in their 28th year of service and the selection of officers to the grade of commander or lieutenant colonel in their 23d year of service. Officers selected at these points would reach the normal 30-year retirement point without ever having become eligible for selection to flag rank, even through they include some of the best combat-experienced officers. The officers junior to the hump also would have been delayed and would be serving far more than the normal Officer Personnel Act periods of service in the lower grades, because officers ahead of them would have been neither promoted nor retired at the times contemplated in the law. The senior grades would be restricted to officers nearing retirement, while the incentive for younger officers would be destroyed.

If, to avoid an unacceptable static condition in the senior grades, the process were continued only until the selection points approached the normal retirement points of commanders and lieutenant colonels and lieutenant commanders and majors, the "hump" officers remaining in those grades would be due for consideration in one, or, at most, two years. They would absorb all of the remaining attrition imposed by the numerical limits of the overall problem—an almost complete elimination of the officers who were commissioned in the latter half of World War II.

In short, the use of this method, either on a complete or partial basis, would neither develop nor properly use the present resources of combat-experienced officers and would spread the consequences of the problem to younger officers.

### *(3) Increased additional number of officers in higher grades*

The third alternative would be to seek additional legislative authorization increasing the number of officers who may serve on active duty in the grade of commander and captain. Such a procedure would of course serve to create additional vacancies to which the hump-year groups could be promoted. The Department of the Navy has indicated that the present personnel ceilings for these grades are ample to meet the needs of the Navy and Marine Corps. Increasing these numbers would mean promotions would be made solely for the sake of promotions, and not for the military need for more officers in those grades. The increased cost could not be justified. Further, the prestige attached to grades of commander, lieutenant colonel, and above would be diminished by the assignment of officers in those grades to duties normally performed by officers of lower rank.

An increase in the authorizations would cause the following excess billets in excess of requirements:

Over the next few years, in order to maintain the flow of promotion and attrition contemplated by the Officer Personnel Act, the Navy would need in the peak years about 2,420 additional vacancies for captain in the unrestricted line (more than double the present anticipated requirement of 2,020 billets for this grade); an additional 900 in the grade of commander; and for the Marine Corps an additional 675 for the grade of colonel and 1,050 for lieutenant colonel.

In terms of additional cost in the peak year, it is estimated that additional appropriations for military pay and allowances would be about \$63,430,000. This is only 1 year's cost alone, and is exclusive

of special pay. Over the 10-year period it is estimated that the total additional cost for all grades would be approximately \$400,000,000. The Navy has indicated that this cost would be to pay for the number of billets which were in excess of requirements.

#### BACKGROUND INFORMATION

In view of the mandatory retirement action which will result to certain portions of the present captains and senior commanders, the following background information is significant with respect to the promotion outlook which these groups could expect when they enter the Navy as compared to the promotions actually received.

##### *Promotion prospects under laws in effect when the hump officers and senior year groups subject to noncontinuation entered the Navy*

In the grade of captain the year groups which will be subject to noncontinuation within the period of the problem will be year groups 1930 through 1943. In the grade of commander the year groups which will be effected by virtue of having been passed over twice will be year groups 1935 through 1945.

The promotion laws in effect when these groups entered the Navy clearly provided for attrition rates far in excess of that which has been experienced by the officers who will be subject to noncontinuation.

The promotion laws in effect prior to the enactment of the Officer Personnel Act of 1947 provided the following promotion prospects for those entering the Navy. Out of 100 entering ensigns their promotion chances were as follows: 95 out of 100 would become lieutenants; 67 would become lieutenant commanders; 40 would become commanders; and 22 would become captains.

The above promotional opportunities were based upon the provisions of the Navy promotion laws enacted in 1938. An even less opportunity existed under the provisions in effect prior to the passage of the 1938 legislation. The year groups 1930 through 1937 could therefore anticipate a somewhat less promotional opportunity.

The 1938 provisions and rules which might be noted here applied to all of those groups in the hump commissioned after 1938.

##### *Retirement provisions of 1938 law*

It is interesting to note that under the 1938 rules officers in the rank of commander and above who were twice failed of selection would have been retired after 20 years of active service. Those who were twice failed in the lower ranks would have been discharged with severance pay.

The information discussed above was contained in a booklet issued by the Department of the Navy in 1946, as part of the opportunities offered for applying for a Regular commission.

##### *Actual promotion experience*

The year groups 1930 through 1938 received promotion to the grade of captain vastly exceeding the promotional opportunity which these people could anticipate when they entered the service. No forced attrition whatsoever was required of these year groups in promotion to the grade of commander and of those who attained the grade of commander the maximum attrition applied to these year groups on promotion to captain was 16.2 percent. Commencing with the year group 1939 promotional attrition began to be applied in steadily increasing

severity, both in promotion to the grade of commander and subsequent promotion to the grade of captain. Thus while year group 1939 suffered only a promotional attrition of 2 percent to the grade of commander, it subsequently suffered a promotional attrition of 31.9 percent to the grade of captain, nearly double that of the preceding year group 1938. Year group 1941, the last year group to reach the grade of captain, suffered a 10 percent promotional attrition to the grade of commander and a subsequent promotional attrition of 48.5 percent to the grade of captain.

In the grade of commander although some promotional attrition has been applied to the year groups 1939 through 1943 it will be noted it was not very severe. However, commencing with the year group 1944 an extremely heavy attrition of 47.8 percent was applied. Thus the initial promotional opportunity for the class of 1944 was only 52.2 percent to the grade of commander. This percentage may be increased somewhat for this year group for certain members which may be picked up by the next selection board. Therefore, as the table below indicates, the year groups concerned enjoyed a much greater promotional opportunity than they could have reasonably expected under the normal operation of the laws in effect at the time they entered the Navy.

The charts below indicate the final selection opportunity for the year groups concerned in the Navy and Marine Corps.

CHART A

*Navy*

[Percent]

Year group	To captain	To commander	Year group	To captain	To commander
1930.....	99.5	(1)	1939.....	83.8	(1)
1931.....	99.0	(1)	1939.....	68.1	98.0
1932.....	96.2	(1)	1940.....	48.3	94.0
1933.....	96.0	(1)	1941.....	41.2	90.0
1934.....	93.0	(1)	1942.....		85.1
1935.....	91.7	(1)	1943.....		<sup>2</sup> 84.3
1936.....	95.9	(1)	1944.....		<sup>3</sup> 52.2
1937.....	90.0	(1)			

<sup>1</sup> No statistics available. Promotion by ALNAV—no less than 98 percent of officers were promoted to commander.

<sup>2</sup> Total selections to date.

<sup>3</sup> Represents selections made from portion of year group in zone to date.

CHART B

*Marine Corps—Final selection opportunity of year groups <sup>1</sup> to grades indicated*

[Percent]

Year group	To colonel	To lieutenant colonel	To major	Year group	To colonel	To lieutenant colonel	To major
1930.....	98			1940.....	66	93	
1931.....	87			1941.....	70	95	
1932.....	88			1942.....		91	96.0
1933.....	90			1943.....		70	89.0
1934.....	90			1944.....			82.0
1935.....	91			1945.....			79.7
1936.....	87			1946.....			77.8
1937.....	91			1947.....			80.1
1938.....	93			1948.....			87.0
1939.....	67						

Includes "Above the zone" selections within year group totals.

*Promotion attrition rates anticipated under the Officer Personnel Act of 1947*

Of additional significance are the promotion attrition rates anticipated under the Officer Personnel Act of 1947. The following results would have occurred under the normal operation of this legislation. Out of 100 ensigns commissioned, 74 could expect to reach the grade of lieutenant, 55 to the grade of lieutenant commander, 36 to the grade of commander, and 27 to the grade of captain.

*Precedents for revising promotion and retirement procedures*

For many years Congress has enacted legislation which has affected naval officers both in promotion prospects and the points at which they will be retired or otherwise terminated. These changes have always been enacted in order to meet the needs of the Navy based on changing times and conditions. Just as in the case of the pending legislation the objective in all cases was the improvement and maintenance of effective Naval leadership. From an individual standpoint, all of these laws had a direct impact on the promotion prospects and retirement points of the officers then in the service. This impact was beneficial to some and disadvantageous to others.

Examples of such legislation are as follows:

(1) The act of 1899 which provided for the removal of officers in the senior grades in order to provide sufficient vacancies for a reasonable promotion flow;

(2) The act of 1916 which abolished promotion by seniority, established for the first time a system of promotion based on selection to the grade of commander and above, and lowered the ages for retirement by setting specific age limits of 56 for captain, 50 for commander, and 45 for lieutenant commander, if they have not been promoted.

(3) The act of 1926 which provided for specified lengths of service—35 years for captain, 28 years for commander, and 21 for lieutenant commander for mandatory separation;

(4) The act of 1934 which extended the selection system to the lower grades of lieutenant commander, lieutenant, and lieutenant (junior grade);

(5) The act of 1938 which abolished the age and specified length of service clauses provided in the 1926 act and provided that captains, commanders, and lieutenant commanders would be retired when they twice failed of selection for promotion if they served at least 20 years.

(6) The Officer Personnel Act of 1947 which, among other things, somewhat revised the rules governing selection and reverted to the philosophy of the 1926 act by reestablishing certain specific terms of service before officers in the grade of lieutenant commander, commander, and captain could be mandatorily retired. These limits were 30 years for captain, 26 years for commander, and 20 years for lieutenant commander.

All of the legislation enumerated above affected the tenure of officers then in the naval service. These acts provide ample precedent for the pending legislation which in effect will retire certain officers prior to the normal points of service provided under existing law in order to meet the needs of the Navy by providing for further service of more of the younger naval officers.

# SECTIONAL ANALYSIS

## AUTHORITY TO ESTABLISH CONTINUATION BOARDS

The various objectives of section 1 set forth the authority to convene boards to recommend for continuation on the active list captains and commanders in the Regular Navy and colonels and lieutenant colonels in the Regular Marine Corps. It prescribes the eligibility rules for consideration of such officers, and the time when officers not recommended for continuation shall retire.

### *Secretarial authority to convene special boards or direct selection boards for the purpose of continuation*

Subsection (a) authorizes the Secretary of the Navy, when the needs of the service require, to convene selection boards, or to direct selection boards convened to select officers for promotion, to recommend for continuation on the active list captains in the Regular Navy or colonels in the Regular Marine Corps who are serving in their fifth or later year in the grade of captain or colonel. This authority is permissive with respect to this category of Regular Navy captains or Marine Corps colonels.

In addition, this subsection requires that the Secretary shall convene or direct boards to make such recommendations with respect to captains and commanders in the Regular Navy and colonels and lieutenant colonels of the Regular Marine Corps who have failed of selection to the next higher grade two or more times and colonels designated for supply duty who are in their 27th year of commissioned service.

The language with respect to this latter group is mandatory and not permissive with respect to the Secretary. Except for the initial boards acting under this authority the Navy plans to direct that selection boards for the particular grade involved will also act as continuation boards for this same grade.

### *Continuation boards for captains in the Medical Service Corps and Nurse Corps*

Subsection (b) prescribes the composition of boards convened to consider captains in the Medical Service Corps and Nurse Corps. (Present law does not provide for such boards for promotion in these corps.)

It should be noted that for the duration of the doctor draft legislation this section would be suspended by other provisions of this bill. Moreover, the Navy indicates there is no present or prospective need for the authority contained in this subsection.

### *Continuation boards for captains in their fifth or later year of service in grade*

Subsection (c) makes a captain in the Regular Navy or a colonel in the Regular Marine Corps eligible for consideration for continuation in his fifth or later year of service in grade. However, when such an officer has been considered and recommended for continuation he would not be considered again under any provision of the bill, and would continue on active duty to his normal retirement date (30 or 31 years' commissioned service, as prescribed for his category).

*Order of consideration for noncontinuation*

Subsection (d) defines a continuation zone for certain categories. The intent of this section is to make certain that all of the Regular Navy captains or Marine Corps colonels on the lineal list who are subject to continuation will be considered for continuation by the proper boards. In other words, the officers will be considered in the order of their position on the lineal lists as these lists are considered.

This subsection requires that the Secretary establish continuation zones when captains in the Regular Navy or colonels in the Regular Marine Corps are to be considered for continuation for each category of officers under consideration. (A category of officers is a group who under present law are considered separately for promotion.) Only eligible officers within the prescribed zone will be considered. Successive zones for each category must be consecutive on the lineal list, without omissions. The establishment of zones is intended to permit an orderly phasing of initial considerations.

*Continuation of Regular captains twice failed of selection*

Subsection (e) makes captains in the Regular Navy (except captains in the Medical Corps and Dental Corps) and colonels in the Regular Marine Corps eligible for consideration for continuation on the active list when they have failed two or more times of selection for promotion to the next higher grade, unless they previously have been recommended for continuation (under (c), above). Because Navy captains will not have failed twice of selection for promotion until their 30th year, this section will not be applicable to them in practice.

*Marine Corps colonels designated for supply duty*

Subsection (f) makes colonels in the Regular Marine Corps who are designated for supply duty eligible for consideration for continuation on the active list in their 27th year of commissioned service if they have not been previously recommended for continuation (under (c) above), which authorizes their noncontinuation after 5 years in grade. (By definition in present law, such officers are not deemed to have failed twice of selection for promotion until their 31st year of commissioned service.)

*Commanders in the Regular Navy and lieutenant colonels in the Marine Corps twice failed of selection*

Subsection (g) makes commanders and lieutenant colonels of the Regular Navy and Regular Marine Corps (except officers designated for limited duty, officers of the Nurse Corps, and women officers) eligible for consideration for continuation on the active list if they have failed two or more times of selection for promotion to captain or colonel. However, after having once been considered and recommended for continuation they will not be considered again, but will remain on active duty until retired under present law at 26 years of commissioned service.

*Procedure for continuation boards*

Subsection (h), generally similar to provisions of present law with respect to selection boards, requires the Secretary to furnish a board with the names of the officers to be considered for continuation and to prescribe the number who may be recommended. Two-thirds of the acting members of the board must agree in the list of officers recommended as best qualified for continuation. The report of the board is final on approval by the President.

*Minimum 20-year retirement eligibility for those noncontinued*

The principal effect of subsection (i) is to provide that officers who are selected for noncontinuation will have completed at least 20 years of commissioned service for retirement purposes when they are mandatorily retired under the noncontinuation authority. In addition, the section provides that the officer not recommended for continuation after he completes the 20 years will be retired on June 30 of the fiscal year in which the recommendation of the board was approved.

It should be noted that the definition of total commissioned service, which would be the basis for computing retired pay, is the service as computed under existing law for this purpose. In most cases it coincides with actual commissioned service. For officers transferred from Reserve status to Regular status, however, it is the service credited to lineal contemporaries who were originally commissioned in the grade of ensign or second lieutenant in the Regular service, and may differ from actual active commissioned service.

*Deferment of those of flag rank serving in statutory positions*

Subsection (j) provides that an officer serving in a statutory office which carries with it the rank of rear admiral may be deferred by the Secretary from mandatory retirement if he has been selected for noncontinuation under the provisions of this legislation.

*Minimum 6 months notice for noncontinued officers*

Subsection (k) provides that if the report of a board is approved less than 6 months before the end of a fiscal year the officers who were considered but not recommended for continuation shall not be retired until first of the seventh month following the month in which the report was approved.

*Retired pay and lump-sum adjustment*

Section 2 provides for the entitlement of retired pay for officers retired under this bill and for certain lump-sum pay in addition to the retired pay.

*Retirement based on years of creditable service*

Subsection (a) provides that an officer retired under the bill will retire in the grade in which serving, with pay computed at the rate of  $2\frac{1}{2}$  percent of the active duty pay of the grade multiplied by the number of years of service creditable to him under the provision of the pay law relating to credit for retired pay, unless by other provision of law he may be entitled to higher retired grade or retired pay. The retired pay portions represent a restatement of existing law with respect to computation of retired pay for the officers affected.

*Minimum 50 percent computation*

Subsection (b) provides that retired pay shall be not less than 50 percent or more than 75 percent of the basic pay on which the computation is based. The 50 percent minimum conforms to the minimum assured under the present law governing mandatory retirements. The 75 percent maximum is uniform with all current retirement authorities.

*Treatment of 6 months of service*

Subsection (c) prescribes that in the determination of the number of years for computation of retired pay a period of 6 months or more will be creditable as 1 year, while a period of less than 6 months will be disregarded. This is consistent with existing laws governing the computation of retired pay.

*Lump-sum pay*

In subsection (d) the bill, as amended by the committee, would authorize a flat lump-sum payment for noncontinued officers. It should be emphasized that the committee did not alter the present language of the House bill providing in effect that in order to be entitled to a lump-sum payment an officer must be serving in the grade of commander or captain, or equivalent Marine Corps grade, on the effective date of the act and later be noncontinued in his same grade. The remaining officers who are promoted to grades higher than their present grades and who are later noncontinued would be excluded on the premise that their opportunity for promotion to the higher grade would have been increased by the effect of this legislation. The bill, therefore, increases rather than diminishes the career opportunity of these officers. Under this formula about three-fourths of the officers (3,052 out of 4,125) over the 10-year plan would be entitled to a lump-sum payment.

In addition, the committee inserted language which, in effect, requires the noncontinuation boards to select from among those officers who will be noncontinued, those whose record of performance would not justify their retention on the active list under any circumstances. The committee recognizes that most of the officers affected will be officers whose retention on the active list would be desirable if the need for vacancies were less pressing. However, distinction must be made with respect to officers whose actual performance has or will not meet the high standards which should be maintained in these grades. The committee considers that such officers should be retired with no additional payment even if no requirement for vacancies existed. Officers reported in this latter category would not be entitled to any lump-sum payment. This provision is intended to accomplish two purposes:

(1) In denying lump-sum payments to such officers a uniform standard will be established for all military services. Under separate legislation now being considered, authority would be granted all three services to involuntarily retire lieutenant colonels and colonels, and equivalent grades, who have twice failed to the next higher permanent grade whose performance does not justify their continuation in active service. No payments other than their normal retired pay would be authorized for such persons.

(2) There is at the present time no statutory authority under which Navy and Marine Corps officers with 20 years of active service may be

involuntarily retired because of substandard performance. The committee language will provide certain authority along this line within the group affected.

The committee recognizes there is no statutory obligation to provide a lump-sum payment for the regular officers who will be noncontinued. At the same time it is true that by virtue of the authority of this legislation to meet the hump problem, the retirement point has been changed for the affected officers from the normal 26- or 30-year period. The purpose of this payment is to provide some assistance in adjusting to the necessary changes in their unexpected return to civilian life.

It should be emphasized that this payment is not to be considered a precedent. In this connection it should also be noted, as explained above, that only a portion of the involuntarily retired officers will be eligible for the retired pay which will be those who are in fact noncontinued in the grade they hold when the bill becomes law. Those who are later promoted and noncontinued, or whose record of performance would not justify their retention on the active list, are excluded.

The committee was also of the opinion that a flat sum is preferable to a graduated formula based on rank and length of service. The readjustment conditions and problems cannot be presumed to vary in accordance with rank or length of service of the officer concerned. The flat sum appears to be a more equitable means of authorizing the payment.

*Lump-sum payments to voluntarily retired noncontinued officers*

Subsection (e) permits the lump-sum payment to eligible officers who, after being considered but not recommended for continuation, are subject to early retirement on a date fixed by this bill but elect to retire voluntarily.

*Treatment of noncontinued officers in Navy and Marine Corps Registers*

Subsection (f) prescribes that a forced early retirement of an officer under this bill will thereafter be considered to have been a voluntary retirement. This will not increase or decrease any benefits to which the officer is eligible, but will insure that public information will identify the retirement as voluntary and avoid any unfavorable implication.

PROTECTION OF CONTINGENCY OPTION ELECTIONS

Section 3 provides that modifications of elections made under the contingency option plan will be valid in the event of early retirement under this bill, if they were made at such time as would have qualified them as valid at the normal retirement date.

TEMPORARY SUSPENSION OF STATUTORY PROMOTION ZONES IN THE MARINE CORPS

Section 4 relates to the establishment of zones of consideration in connection with Marine Corps selections for promotion to the grade of lieutenant colonel.

Subsection (a) would authorize the Secretary, until December 31, 1964, to establish zones of consideration in addition to or in lieu of promotion zones for majors. The number of officers to be placed in a zone of consideration would be determined by the Secretary according

## 30 OPPORTUNITY FOR PROMOTION FOR CERTAIN NAVAL OFFICERS

to the needs of the Marine Corps. A selection board would be prevented from considering for promotion officers who are junior to the zone of consideration. An officer who is in a zone of consideration but not in or above a promotion zone would not be considered as having failed of selection for any purpose, even though he is not selected for promotion.

Subsection (b) would guarantee to majors designated for supply duty at least the same selection opportunity that officers not restricted in the performance of duty receive when a zone of consideration is established.

Subsection (c) would substitute a different standard for determining the appropriate number of officers to be placed in a promotion zone for selection to lieutenant colonel by giving consideration to the abnormal flow during the so-called hump years and the age and other characteristics of the officers concerned. In addition, the Secretary would be authorized to limit the number of selections which are made from in or above such promotion zone. The provision on normal terms of service would be suspended for the grade of major. This subsection would expire December 31, 1964.

### PRESIDENTIAL SUSPENSION OF AUTHORITY

Section 5 provides that the President may suspend any provision of sections 1 and 4 in time of war or national emergency. Similar suspension authority is contained in section 6386(c) of title 10, United States Code, with respect to the mandatory retirement provisions of sections 6371-6384 of title 10.

### TECHNICAL SECTION

Section 6 amends the definition of total commission service for line officers of the Navy. Its purpose is to prevent the premature retirement of officers who are not from the Naval Academy or NROTC and who receive an accelerated promotion; that is, officers who are selected from below a promotion zone.

### EXCLUSION OF MEDICAL CORPS AND RELATED CORPS FROM THE AUTHORITY OF THE BILL

Section 7 prohibits the application of the bill to officers of the Medical Corps, Dental Corps, Medical Service Corps, or the Nurse Corps during the effective period of authority for the induction of physicians and dentists.

### TERMINATION OF AUTHORITY

Section 8 provides for the termination of the noncontinuation authority on June 30, 1965.

### REPEAL OF PROVISION AUTHORIZING ADVANCEMENTS ON RETIRED LIST

A new section to the bill (sec. 9) would repeal, effective November 1, 1959, the present provision requiring an advancement to the next

higher grade upon retirement for Navy and Marine Corps officers who were specially commended for performance of duty in combat before January 1, 1947, by the head of the military or executive department under whose jurisdiction the duty was performed. This provision of law does not authorize an increase in the retired pay. The amendment would not be retroactive and therefore, would have no effect on the rights and privileges of officers already advanced prior to the repeal of the provision (sec. 6150, title 10, United States Code).

This provision had its inception in 1925 with the effort to reward a certain naval captain who distinguished himself in World War I but failed to achieve the grade of rear admiral. The 1925 legislation as finally approved advanced the captain in question to the grade of rear admiral with the pay of the lower half. In addition, there was a more general provision providing that all Navy and Marine Corps officers commended for performance during World War I would be advanced to the next higher rank, but without pay of the higher grade when retired by reason of age in grade. The 1925 version was modified somewhat over the years until its present version, as outlined above, was enacted in 1949.

Under existing conditions, a disproportionate number of the retired flag rank officers in the Navy are officers who never served in the rank in active duty in their retired rank but were advanced as a result of the special authority. As of May 31, 1959, out of 1,420 officers on the retired list in the grade of rear admiral only 198 served in the rank with 1,220 being advanced from a lower grade. Of 198 vice admirals, 44 served in the rank and 154 were advanced to that rank. Of 62 admirals, 29 served in the rank and 33 were advanced.

The advancement provision, which has been limited to Navy and Marine Corps officers since its enactment in 1925 is discriminate against Army and Air Force officers who may have performed in a similar manner. Even though no pay is authorized for the higher rank, those advanced enjoy the other advantages attached to the higher grade, as possibly greater employment opportunities and the increased prestige of the higher rank.

There is also an added advantage for those who may be recalled to active duty from retired status. Under existing law, the Secretary of the Navy has discretionary authority to recall retired Navy or Marine Corps officers to active service in the higher rank to which they were advanced. While serving, these officers receive the pay of the higher rank and moreover, under existing law, if they serve in a recall status for 2 years, their retired pay will be recomputed under the scales of the higher of their advanced rank.

As already indicated, the present advancement provision provides that the commendation must have been received prior to January 1, 1947, with a result that the provision would eventually lose its effect after all officers who received such a commendation have retired. However, it will be a number of years before all of the Navy and Marine Corps officers who were in active service during World War II and who would qualify will be retired. In the meantime, the inequity would continue with respect to officers of the other military services, who will continue to retire in the years ahead and who would not be eligible to receive the same advancements as the Navy and Marine Corps counterparts.

The committee amendment will insure a uniform standard for all the military services for the future. At the same time, the rights of those who have been advanced will not be disturbed.

In a letter of July 17, 1959, to the Committee on Armed Services, the Department of the Army on behalf of the Department of Defense stated the opposition of the executive branch to pending legislation which would extend the present Navy and Marine Corps advancement provision to Army and Air Force officers. This report opposed such legislation in principle.

A pertinent portion of the departmental report is as follows:

A commendation for performance of duty in actual combat is only one of the factors for consideration in the determination of an individual's overall value to the service. The Department further believes that enactment of such legislation would create inequities among personnel who had served together under combat conditions, inasmuch as a commendation would make one person eligible for certain benefits which are denied to others with similar combat experience but who had received no commendation.

It is considered unsound in principle to grant promotion upon retirement to individuals solely because they have been commended for their performance of duty in combat. To do so would result in discriminating against many able persons for the sole reason that they were not awarded, or did not have an opportunity to earn, a combat citation. It is necessary for effective operations that many personnel be assigned to duties which, although they do not involve combat, are nevertheless absolutely essential to the effective prosecution of war. S. 2204 would in effect deny these individuals, who faithfully and efficiently perform these assigned duties, the same opportunities for promotion on the retired list as would be accorded those persons assigned to combat duties.

Further, S. 2204 would create inequities between those who were commended prior to January 1, 1947, and those commended at a later date. This could conceivably bring pressure from those groups to which the provisions of the bill could logically be extended.

The primary object of promotion is to invest an individual with a grade carrying that degree of authority considered to be commensurate with the demands of the position he is to occupy. In accomplishing this objective every effort must be made and every safeguard utilized to give fair and equitable treatment for all individuals with due regard being given to the quality and extent of their experience and their demonstrated ability. Promoting individuals upon retirement to the next higher grade, based upon a single accomplishment, is not in accordance with these sound principles, and because of the large number of promotions involved, would tend to lower the prestige of these higher grades.

## COST OF LEGISLATION

The Department of the Navy estimates that the maximum additional cost of this legislation over the next 60-year period will not exceed \$14 million. Even though this bill would expire June 30, 1965, the 60-year projection is necessary in order to fully reflect the differences in retired cost caused by the enactment of this legislation.

The elements of cost cover three separate categories: (1) the readjustment allowance; (2) the effect of the bill on future military retired pay cost; and (3) its effect on active duty pay and allowances.

*(a) Readjustment pay*

The total estimated additional cost of the readjustment pay as authorized by this legislation will be about \$6 million. The initial expenditure in fiscal year 1960 would be approximately \$2,100,000.

*(b) Retirement cost*

The bill will have considerable impact on the retirement pay appropriation, particularly during the first 6 years. It must be remembered, however, that the increases in retired pay during the first 6 years will greatly exceed the total additional long-range cost of the early retirements generated by this bill. The retirement of officers prior to their normal retirement points will naturally cause increased expenditure through the retired pay appropriation until such time as the officer so retired will achieve his normal retirement point. However, once an officer has reached his normal retirement point he will thereafter, and until his death, receive a lower retired pay than he would have received had he been retained on active duty until normal retirement. For example, a captain in the Navy retired at the end of 30 years of service receives retired pay of \$8,865 per year. If retired at the 26-year point, he receives retired pay of only \$7,683 per year, a differential in favor of the Government of \$1,182 per year. Thus, the 4-year cost (approximately \$31,000) of advanced retired pay attributable to his early retirement is annually reduced until the end of his life. The estimated increase of retirement expenditures over the first 5 years of the plan amounts to \$52,962,000. The recoveries thereafter will reduce the total expenditure over the lifetime of all the officers so retired to a net increase of approximately \$24 million. This cost of \$24 million includes in the cost to the Government the interest on the advanced retired pay at the rate of 3 percent and has been calculated by approved actuarial methods in common use by the insurance industry.

*(c) Active duty pay and allowances*

Active duty pay costs can be expected to increase during the next 10 years whether or not this legislation is enacted. This is true even with a stable force due to a gradual increase in longevity for pay purposes for all officers. Active duty pay costs, however, will increase less with the legislation than without it. Inasmuch as the legislation will retire older officers and replace them with officers with less total service, there will result a reduction in longevity for pay purposes in the active duty force. This reduction (as is the case in retired pay) will be most noteworthy in the first 6 years of the bill and will amount during that period to a total of \$65,949,000. It must be

emphasized that this does not represent an actual reduction in the appropriation but merely a relative reduction of the amount that would become necessary in the absence of legislation.

To summarize, during the next 6 years the cost elements as represented by Naval Establishment appropriations will tend to offset each other. There will appear, however, an increased cost for interest in the appropriations for the service of the national debt. It is in this appropriation that the bulk of the additional \$14 million cost will accrue.

#### DEPARTMENTAL RECOMMENDATION

Printed below and hereby made a part of this record are: (1) Department of Defense letter transmitting legislative proposal; (2) Department of Defense letter containing Executive position opposing severance pay; (3) Department of the Navy letter containing Executive position opposing substitute amendment.

THE SECRETARY OF DEFENSE,

*Washington, February 9, 1959.*

DEAR MR. PRESIDENT: There is forwarded herewith a draft, together with a sectional analysis, of proposed legislation "To provide improved opportunity for promotion for certain officers in the naval service, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1959 and the Bureau of the Budget has advised that there would be no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

#### *Purpose of the legislation*

The purpose of this proposed legislation is to provide equitable opportunity for promotion to officers of the Navy and the Marine Corps who are in or behind the hump.

The hump consists of the large group of officers who were initially commissioned during the four years of World War II. This group, disproportionate to all other year groups before and behind it, constitutes about one-fourth of the Regular officer strength of the Navy and the Marine Corps. It has provided the large reservoir of combat-tempered experience which has been the backbone of the Navy and the Marine Corps during the past decade.

Officers in the hump are now in the grades of lieutenant commander and commander in the Navy and major and lieutenant colonel in the Marine Corps. Unless remedial action is taken, about two-thirds of these officers will be retired in the grades in which they are now serving, without having had a reasonable opportunity for promotion to a higher grade.

Ahead of the officers in the hump, and blocking their promotion, are the officers who were initially commissioned before World War II. In the Navy, these prewar year groups comprise all the captains and the senior commanders, varying in length of service from 17 to 30

years. Under present law, commanders who have twice failed of selection for promotion may not be involuntarily retired until they complete 26 years of service, and twice-failed captains may not be involuntarily retired until they complete 30 years of service. The same is true of officers in corresponding grades in the Marine Corps.

Involuntary retirements of officers initially commissioned before World War II would, under present law, be spread over a 13-year period. They would be spread very thinly, because the number of officers in each of the pre-war year groups is very small. They would not produce sufficient vacancies each year to permit the timely promotion of officers in the disproportionately large hump year groups whose length of service varies by a maximum of four years.

Slowing down promotions to fill only the vacancies that would be created by operation of present law would result in stagnation in their present grades of officers in the hump. From the standpoint of manpower management this would be extremely inefficient. It would also have a devastating effect on the morale of the officers concerned and would be a deterrent to young men who might otherwise contemplate a naval career.

On the other hand, if promotions are not drastically retarded, either two-thirds or more of the officers in the hump must be failed of selection for promotion or a means of creating more vacancies for them in the higher grades must be provided.

The assessment of heavy attrition in the process of selection for promotion has its practical limits. If it becomes so heavy that it begins to cut down some of the very best officers, along with the less effective, the loss of morale and self-confidence in the officer corps will be disastrous.

A gradual deceleration of promotions and an increase in attrition has already occurred and will continue. This is unavoidable and to some extent desirable. However, both the retardation of promotions and the attrition rate should be kept within acceptable limits. This cannot be done unless the Department of the Navy is given statutory authority which will enable it to create additional vacancies in the grades of captain and commander in the Navy and colonel and lieutenant colonel in the Marine Corps.

One method of providing additional vacancies would be to raise the statutory limitations on the numbers of officers that can serve in the grades concerned. The Department of the Navy does not desire that this be done. The present ceilings are ample to meet the needs of the service. Increasing them would mean that promotions would be made solely for the sake of promotions, and not because of a military need for more officers in those grades. The increased cost could not be justified. Further, the prestige attached to grades of commander, lieutenant colonel, and above would be diminished by the assignment of officers in those grades to duties normally performed by officers of lower rank.

The Department of the Navy considers that the needed additional vacancies in the higher grades could best be created through the retirement, on a selective basis, of some of the senior officers in those grades a few years earlier than they could be involuntarily retired under present law. The proposed legislation would, if enacted, provide the necessary statutory authority for the selection

of officers for continuation on the active list and for the mandatory early retirement of officers not selected for continuation.

Officers in the prewar year groups presently serving in the grades of commander, lieutenant colonel, or above have attained those grades, in most cases, considerably earlier than contemplated in the Officer Personnel Act of 1947 and have had to face only light forced attrition rates. It would not be unfair, therefore, to require the officers ahead of the hump to share with the officers in and behind the hump the attrition that is necessary to provide an orderly flow of promotions.

Two methods of forcing the early retirement of captains in the Navy and colonels in the Marine Corps, to create needed vacancies in those grades, would be provided by the proposed legislation.

First, the proposed legislation would authorize the Secretary of the Navy, when the needs of the service require, to convene selection boards to consider for continuation on the active list captains and colonels who will complete at least five years of service in their respective grades by the end of the fiscal year in which the board is convened. Those not recommended for continuation would be retired at the end of the fiscal year in which the report of the board is approved.

Second, the proposed legislation would provide that captains in the Navy (except doctors, dentists, medical specialists, and restricted line officers) and colonels in the Marine Corps who twice fail of selection for promotion to the grade of rear admiral or brigadier general shall be considered by a selection board for continuation on the active list. Those not recommended for continuation would be retired at the end of the fiscal year in which the report of the board is approved.

The second of the above provisions would not result in the early retirement of captains in the Navy at the present time, as current policy is not to bring captains into the promotion zone for promotion to rear admiral until their 29th year, and those who fail of selection in their 29th and 30th years are retired at the end of their 30th year under present law. The first of the above provisions, screening captains for continuation or retirement in their fifth year in grade, would therefore be used by the Navy as the means of forcing the retirement of the necessary numbers of captains a few years earlier than they would otherwise be retired.

The Marine Corps, on the other hand, would not use continuation boards for colonels having five years in grade, at least not in the immediate future. Requirements for general officers and the small number of colonels in the prewar year groups make it necessary for the Marine Corps to consider officers for selection to brigadier general in their 23d to 25th year of commissioned service. Consequently, the provision for considering twice-passed-over colonels for continuation on the active list, and the retirement of those not selected for continuation, would be used to force the necessary numbers of retirements a few years earlier than under present law.

To create additional vacancies in the grades of commander and lieutenant colonel, the proposed legislation would provide that officers in those grades shall be considered for continuation on the active list when they have twice failed of selection for promotion. Those not selected for continuation would be retired at the end of the fiscal year

in which the report of the board is approved or in which they complete 20 or more years of total commissioned service, whichever is later.

The proposed legislation provides that officers who are considered and recommended for continuation on the active list would not again be subjected to consideration for continuation while in the same grade but would continue on the active list for the periods prescribed in existing law.

The proposed legislation provides for the expiration of the above provisions on June 30, 1970, as it is expected that the last of the officers in the hump will have passed into the grades of captain and colonel by that time.

The proposed legislation contains special provisions, expiring on December 31, 1964, relating solely to the promotion of majors in the Marine Corps to the grade of lieutenant colonel.

The passage of the Marine Corps officer hump into the grade of lieutenant colonel will retard promotion flow for a number of officers beyond those points considered as optimum for producing senior officers of appropriate age and service characteristics. In order to minimize this condition, without assessing excessive attrition and producing inequality in opportunity for promotion, the Marine Corps desires to dispense with the establishment of promotion zones in those years in which it is not necessary to create vacancies in the grade of major or it is not possible to remove from the active list those majors who have twice failed of selection for promotion. To accomplish this, the proposed legislation would authorize the Secretary of the Navy to establish zones of consideration in lieu of, or in conjunction with, promotion zones. In the years that zones of consideration are established, and promotion zones are not used, all selections would be made from within the zones of consideration, and any officer not selected for promotion would not be considered as having failed of selection. This would permit the advancement of the most outstanding majors, without passing over other majors whose services are valuable and needed by the Marine Corps. In years when it is necessary to create vacancies in the grade of major, or when the age and service characteristics of majors who have been previously considered for promotion warrant their involuntary retirement, a promotion zone would be established in conjunction with a zone of consideration, so that nonselected officers in or above the promotion zone would be legally considered as having failed of selection and would be retired after their second failure.

#### *Cost and budget data*

The proposed legislation will have fiscal impact on both retired pay appropriations and active duty pay appropriations. Retired pay appropriations during the period of its operation will be increased because of the payment of retired pay to officers who otherwise would not yet have been retired. Terminal leave settlements and travel costs for retiring officers will likewise be increased. Active duty pay appropriations will be affected by changes in the accrual of active duty pay, flight pay, and allowances. The total amount of such pay and allowances will decrease because of a reduction in longevity credits for pay purposes in the active duty force and some net reduction in numbers of officers in the senior grades.

In estimating the fiscal impact of the proposed legislation, it has been assumed that the active duty force will remain at present overall

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strength. Although the validity of this assumption cannot be forecast, the use of any other assumption would introduce differences in costs attributable to expansion or contraction rather than to the legislation.

For both retirement and active duty calculations it has been assumed that, for the officers concerned, service for pay purposes is equal to total commissioned service. The errors in this assumption are to some extent mutually offset, but in any case are not determinable since their incidence will depend on selection processes.

Basic calculations have been made for the Marine Corps and for the unrestricted line officers of the Navy. Plans for staff corps and restricted line officers of the Navy are subject to variation by current service needs. Probable costs and savings for these latter groups have been projected on a straight line basis at 25 percent of the costs for the unrestricted line.

On the basis of the assumptions noted above, the predicted impact of the proposed legislation on appropriations is summarized as follows:

[Minus (-) indicates net decrease by reason of legislation; plus (+) indicates net increase by reason of legislation]

[Thousands of dollars]

	Fiscal years					
	1960	1961	1962	1963	1964	1965
Active duty pay and allowances:						
Basic and allowance:						
Navy.....	-1,274	-4,959	-5,709	-11,355	-12,788	-10,562
Marine Corps.....	-347	-813	-3,186	-1,974	-2,314	-2,264
Total.....	-1,621	-5,772	-8,895	-13,329	-15,102	-12,826
Flight pay:						
Navy.....	-601	-348	-1,021	-1,062	-1,148	-1,515
Marine Corps.....	-84	-416	-351	-608	-791	-687
Total.....	-685	-764	-1,372	-1,670	-1,939	-2,202
Terminal leave payments:						
Navy.....	+1,325	+363	+793	+75	-47	-132
Marine Corps.....	+205	+100	+280	+179	+266	+161
Total.....	+1,530	+463	+1,073	+254	+219	+29
Travel cost:						
Navy.....	+1,399	+279	+669	+69	-54	-142
Marine Corps.....	+162	+85	+238	+141	+253	+156
Total.....	+1,561	+364	+907	+210	+199	+14
Retired pay:						
Navy.....	+4,279	+5,157	+7,074	+7,097	+6,629	+5,901
Marine Corps.....	+658	+919	+1,650	+2,201	+2,937	+3,366
Total.....	4,937	+6,076	+8,724	+9,298	+9,566	+9,267
Net.....	+5,722	+367	+437	-5,237	-7,057	-5,718
Total net.....			-11,486			

Studies beyond fiscal year 1965 are speculative, since they depend not only on the continued validity of the assumption as to strength but also on continued adherence to presently anticipated promotion policy. In general, the impact on the appropriations cited will tend to diminish.

(Signed) DONALD A. QUARLES,  
*Deputy.*

HON. RICHARD M. NIXON,  
*The President of the Senate.*

GENERAL COUNSEL TO THE DEPARTMENT OF DEFENSE,  
*Washington, D.C., April 28, 1959.*

DEAR MR. CHAIRMAN: By letter dated February 9, 1959, there was submitted to the Congress by this Department proposed legislation "To provide improved opportunity for promotion for certain officers in the naval service, and for other purposes." The proposal was introduced and passed the House as H.R. 4413, 86th Congress.

The bill passed by the House would provide for the payment of certain readjustment pay to the officers affected in addition to the retired pay to which they would immediately become entitled.

We are in receipt of a letter from the Bureau of the Budget which stated in part:

"\* \* \* We are unaware of any other instance in which military personnel eligible for immediate retirement benefits are granted concurrent entitlement to readjustment or severance pay. In our opinion, such provisions would, apart from the additional costs that would result, establish a highly undesirable precedent that might be employed to justify similar extensions in other cases. Moreover, we consider discriminatory those further provisions of the committee amendment that would permit the proposed readjustment pay to be spread over a three-year period for the stated purpose of reducing tax liability.

"In connection with the justification for these amendments on the grounds that the officers affected will be released from active duty earlier than they were led to expect under existing law, we believe that this justification is met, in large part, by statements in the Department's letter to the Speaker transmitting the proposal and in the committee report itself. In the Speaker letter, it is pointed out that the officers affected benefited from rapid advancement to the higher commissioned grades and that they have been subject to little, if any, forced attrition in the process. In the committee report, it is brought out that most if not all of the officers affected entered on active duty with the regular Navy at a time when no so-called guaranteed periods of service were in effect and well before the current periods of service were fixed in the Officer Personnel Act of 1947."

The foregoing views are endorsed by this Department.

ROBERT DECHERT.

HON. RICHARD B. RUSSELL,  
*Chairman, Committee on Armed Services, United States Senate.*

DEPARTMENT OF THE NAVY,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., June 8, 1959.*

Hon. RICHARD B. RUSSELL,  
*Chairman, Committee on Armed Services,  
United States Senate, Washington, D.C.*

MY DEAR MR. CHAIRMAN: Your request for comment on Senator Yarborough's proposed amendment (in the nature of a substitute) to H.R. 4413, a bill to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes, has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

H.R. 4413 is a part of the Department of Defense legislative program for 1959. The purpose of the bill is to provide improved opportunity for promotion for officers of the Navy and the Marine Corps who are in or behind the World War II hump. In order to avoid promotion stagnation and excessively heavy attrition among officers in the hump, the bill would provide a means of forcing the retirement of some of the officers who are ahead of the hump at an earlier time than they could be mandatorily retired under present law.

The bill would authorize the Secretary of the Navy to convene selection boards to consider for continuation on the active list captains in the Regular Navy and colonels in the Regular Marine Corps who will complete at least five years of service in their respective grades in the fiscal year in which the board is convened. It would also provide that captains and commanders in the Regular Navy and colonels and lieutenant colonels in the Regular Marine Corps who twice fail of selection for promotion to the next higher grade shall be considered by a selection board for continuation on the active list. The Secretary of the Navy would advise each board of the maximum number of officers that the board is authorized to recommend for continuation, and within the authorized number the board would select those officers whom it considered best qualified for continued service on the active list. Officers considered but not recommended for continuation would be retired at the end of the fiscal year in which the report of the board is approved or at the end of the fiscal year in which they complete 20 years of total commissioned service, whichever is later.

The bill would thus permit the selective early retirement of some of the captains and colonels, commanders, and lieutenant colonels in the prewar year groups in such numbers and at such times as the Secretary of the Navy determines is necessary to provide to officers in the hump an equitable and timely opportunity for promotion. This legislation would expire on June 30, 1970, by which time the last of the hump will have reached the grade of captain or colonel.

As introduced in the House of Representatives, H.R. 4413 contained no provision for readjustment pay to officers whose active careers would be terminated thereunder short of the 26 years (for commanders and lieutenant colonels) or 30 or 31 years (for captains and colonels) that they could expect to serve under present law. They would be entitled only to retired pay. As passed by the House, how-

ever, the bill provides that officers retired under it in the grade in which they are serving, or for which they have been selected, on the date of enactment of the bill shall receive, in addition to retired pay, a lump-sum readjustment payment in an amount equal to two months' basic pay for each year of early retirement but not more than \$6,000. The General Counsel of the Department of Defense has advised you by letter dated April 28, 1959, that the Department of Defense and the Bureau of the Budget are opposed to this provision.

In Senator Yarborough's proposed substitute, the provisions of H.R. 4413 as passed by the House of Representatives would be placed in title II, "Mandatory Retirement Program", and title III, "Miscellaneous Provisions", and a new title I, "Voluntary Retirement Program", would be inserted. Title I would provide that any captain in the Regular Navy and any colonel in the Regular Marine Corps, in his 5th or subsequent year of service in his present grade, and any commander in the Regular Navy and any colonel in the Regular Marine Corps, in his 20th or subsequent year of commissioned service, if not on a promotion list, shall be eligible to apply for voluntary retirement. The Secretary of the Navy would be required to act on each application within 1 year from the time it was made and would be required to approve applications for retirement in such numbers as he determines to be in the best interest of the service. Officers whose applications for retirement are approved would be retired at the end of the fiscal year. Those who are retired under this title in the grade in which they are serving, or for which they have been selected, on the date of enactment of the bill would receive, in addition to their retired pay, a lump-sum payment in the amount of 3 months' basic pay for each year of early retirement, without limitation as to the total amount.

Title I would be in effect for at least 2 years and thereafter until June 30, 1970, unless sooner terminated by the Secretary of the Navy. The Secretary, under section 201 of the substitute bill, would be authorized to terminate the voluntary retirement program at any time after it had been in effect for at least 2 years, if he should find that the voluntary program is not producing sufficient vacancies to provide ample opportunity for promotion. The mandatory retirement program would then go into effect.

The Department of the Navy, on behalf of the Department of Defense, is opposed to the enactment of the proposed amendment to H.R. 4413.

To the individual officer who fears involuntary retirement under H.R. 4413, the proposed amendment may appear attractive. If he should elect to retire voluntarily under title I of the substitute bill he would receive an additional month's basic pay for each year of early retirement, without the \$6,000 limitation (a difference of \$5,820 for a captain or colonel retired four years early). On the other hand, if he does not wish to be retired early under any circumstances, he could hope that a sufficient number of his fellow officers would accept the financial inducement to retire voluntarily, so that his own involuntary retirement would be avoided or delayed. However, while some individuals might be benefited by enactment of the proposed substitute

bill, the Department of the Navy, for the reasons stated below, considers that it would not be in the best interest of the naval service and the career officer structure as a whole.

The proposed substitute would not provide a means for the retention of the most effective officers. On the contrary, it would require the Secretary of the Navy to approve the applications for early retirement of the best officers if they should apply, unless the number of applications should exceed the number of vacancies that must be created. The only discretion that the Secretary would have would be to delay acting on applications for one year in order to determine whether more than the necessary number would be submitted. If there should be no excess, he would have to approve applications of even the best qualified officers before he could determine that the voluntary program is inadequate and thereby implement the mandatory retirement program. Any system which would reduce the quality of the future leadership of the Navy and the Marine Corps is patently defective.

The proposed substitute would also present administrative difficulties because the Secretary would have no means of forecasting the number of applications for voluntary retirement that might be submitted in any year. In establishing promotion zones and determining attrition rates, he would not be able to count on predictable numbers of vacancies occurring in the next higher grade. While experimenting with the voluntary retirement program, attrition would have to be assessed on the hump year groups without regard to the unknown numbers of additional vacancies that the program might produce. With the mandatory retirement features of H.R. 4413, inoperative, attrition would have to be 74 percent on commanders being considered for promotion to captain and 85 percent on lieutenant commanders being considered for promotion to commander. Those percentages could be dropped to 54 percent and 45 percent, respectively, if the mandatory retirement program were immediately placed in operation.

Under section 6323 of title 10, United States Code, officers of the Navy and the Marine Corps who complete at least 20 years of active service, including at least 10 years of active commissioned service, are eligible to apply for voluntary retirement and may be retired, in the discretion of the President. Most of the officers who would be eligible to apply for voluntary retirement under title I of the substitute bill are eligible to apply for retirement under present law. The possibility of retirement after only 20 years of active service is primarily a strong inducement to young officers to enter upon a military career. By the time they reach the 20-year point, however, most of them have become motivated toward rounding out a full career of 30 years or more. Providing an extravagant financial inducement to career-minded officers to abandon that ambition would be contrary to the principles of the military profession, would tend to destroy the motivation that has been carefully nourished for 20 years, and would reflect adversely on the continuation of a military career.

The Department of the Navy regrets the necessity for the early retirement of some career-minded officers in the prewar year groups to provide a reasonable opportunity for promotion for their juniors in the World War II hump. This necessity exists, however, H.R. 4413 would provide a means of retiring the necessary numbers of officers

on a selective basis which will assure quality control and will lend itself to orderly administration and planning. Title I of the proposed substitute bill, on the other hand, would provide for little or no quality control, would present difficult administrative problems, and would in all probability fail to accomplish its objectives.

The hump problem was already an urgent one in June of 1957 when this Department first submitted to the Congress proposed legislation to deal with it. Each year the problem becomes more acute. Enactment of the proposed substitute for H.R. 4413 would require the Department of the Navy to experiment with a defective alternate solution for two years, thus further delaying the institution of effective action.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Department of the Navy has been advised by the Bureau of the Budget that there is no objection to the submission of this report on the proposed amendment (in the nature of a substitute) to H.R. 4413 to the Congress.

Sincerely yours,

JOHN S. MCCAIN, Jr.,  
*Rear Admiral, U.S. Navy,*  
*Chief of Legislative Affairs*  
 (For the Secretary of the Navy).

*Distribution by grade of naval officers on active duty*

	Unrestricted line (Jan. 1, 1959)						Total restricted line and staff corps (Jan. 1, 1959)					
	Total by status	Percentage of grade by status	Total by grade	Percentage of total by grade	Number allowed by OGLA	OGLA percentage of total	Total by status	Percentage of grade by status	Total by grade	Percentage of total by grade	Overall total in grade	Overall percentage
Rear admiral			212	0.47	225	4.99			71	0.39	283	0.45
Captain			1,999	4.44	2,541	5.64			1,913	10.45	3,912	6.17
U.S. Navy	1,985	99.3					1,822	95.2				
U.S. Naval Reserve	14	0.7					91	4.8				
USNT	0	0					0	0				
Commander <sup>1</sup>			4,975	11.04	4,870	10.81			2,734	14.93	7,709	12.17
U.S. Navy	4,472	89.9					2,298	84.1				
U.S. Naval Reserve	297	5.96					429	15.7				
USNT	206	4.14					7	0.2				
Lieutenant commander <sup>1</sup>			7,325	16.26	7,872	17.48			3,354	18.32	10,679	16.86
U.S. Navy	5,324	72.7					2,845	84.8				
U.S. Naval Reserve	750	10.24					393	11.7				
USNT	1,251	17.06					116	3.5				
Lieutenant <sup>1</sup>			8,374	18.59					5,905	32.25	14,279	22.54
U.S. Navy	6,594	78.7					3,261	55.2				
U.S. Naval Reserve	1,572	18.8					2,612	44.2				
USNT	208	2.5					32	.6				
Lieutenant (junior grade) and ensign <sup>1</sup>			22,161	49.19					4,332	23.66	26,493	41.82
U.S. Navy	6,576	29.67					1,049	24.2				
U.S. Naval Reserve	14,221	64.17					3,187	73.6				
USNT	1,364	6.16					96	2.2				
Total U.S. Navy <sup>1</sup>	25,163	55.9					11,346					
Total U.S. Naval Reserve	16,855	37.4					6,712					
Total USNT <sup>1</sup>	3,029	6.7					251					
Total	45,047	100.0					18,309					
Grand total											63,355	

<sup>1</sup> Limited duty officers part of count.

# OPPORTUNITY FOR PROMOTION FOR CERTAIN NAVAL OFFICERS 45

*Regular naval officers—Comparison of temporary rank to regular strength  
(Jan. 1, 1959)*

Grade	Unrestricted line		Restricted line and Staff Corps		Total lineal list	
	Number U.S. Navy	Percentage U.S. Navy in grade	Number U.S. Navy	Percentage U.S. Navy in grade	Number U.S. Navy	Percentage U.S. Navy in grade
Rear admiral.....	212	0.84	71	0.63	283	0.78
Captain.....	1,985	7.89	1,822	16.06	3,807	10.43
Commander.....	4,472	17.77	2,298	20.25	6,770	18.54
Lieutenant commander.....	5,324	21.16	2,845	25.07	8,169	22.38
Lieutenant.....	6,594	26.21	3,261	28.74	9,855	26.99
Lieutenant (junior grade) and ensign.....	6,576	26.13	1,049	9.25	7,625	20.88
Total.....	25,163	100.00	11,346	100.00	36,509	100.00

<sup>1</sup> Limited duty officer count included in totals.

*Distribution by grade of Marine Corps officers on active duty*

[illegible]

# OPPORTUNITY FOR PROMOTION FOR CERTAIN NAVAL OFFICERS 47

*Regular Marine Corps officers—Comparison of temporary rank to regular strength (Jan. 1, 1959)*

Grade	Unrestricted and limited duty officers		Women marines and SDO		Total	
	USMC	Percent- age in grade	USMC	Percent- age in grade	USMC	Percent- age in grade
Brigadier general and above.....	53	0.64	6	0.13	59	0.68
Colonel.....	505	6.12	30	6.43	535	6.14
Lieutenant colonel.....	1,216	14.74	97	21.10	1,313	15.07
Major.....	2,268	27.49	132	29.03	2,400	27.54
Captain.....	2,207	26.75	169	37.00	2,376	27.27
Lieutenant.....	2,002	24.26	29	6.26	2,031	23.30
Total.....	8,251	100.0	463	100.00	8,714	100.00

## CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

## TITLE 10, UNITED STATES CODE

## CHAPTER 561.—MISCELLANEOUS RIGHTS AND BENEFITS

\* \* \* \* \*

Sec.

【6150. Higher retired grade for officers specially commended.】

\* \* \* \* \*

【§ 6150. Higher retired grade for officers specially commended

【(a) Each officer of the Navy or the Marine Corps who has been specially commended for performance of duty before January 1, 1947, in actual combat, by the head of the military or executive department under whose jurisdiction the duty was performed, shall, after his retirement, or transfer to the Retired Reserve, be advanced to the grade next higher than that in which he was serving at the time of his retirement or transfer. However, this section does not apply to an officer on a promotion list who is retired for physical disability.

【(b) An officer retired before August 7, 1947, who is advanced under subsection (a) is entitled to the higher grade from August 7, 1947.

【(c) The retired pay of an officer advanced in grade under this section is not increased or decreased by that advancement.】

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## CHAPTER 573.—INVOLUNTARY RETIREMENT, SEPARATION AND FURLOUGH

\* \* \* \* \*

§ 6388. Regular Navy; certain staff corps officers: computation of total commissioned service

\* \* \* \* \*

(b) Each other commissioned officer on the active list of the Navy in any staff corps is considered to have the same total commissioned service for the purpose of the preceding sections of this chapter as the officer in his corps described in subsection (a) having the maximum total commissioned service who—

(1) has not lost numbers or precedence; and

(2) 【is, or at any time has been,】 *has been continuously* junior to the other officer for the purposes of eligibility for promotion and selection for promotion during that other officer's latest period of continuous service on the active list.

\* \* \* \* \*